

7 August 2024

4imprint Group plc
Half year results for the 26 weeks ended 29 June 2024 (unaudited)

Strong financial performance; taking share in challenging market conditions

4imprint Group plc, (the "Group"), a direct marketer of promotional products, today announces its half year results for the 26 weeks ended 29 June 2024. The results for the half year and prior half year are unaudited.

	Half year 2024	Half year 2023	
Financial Overview	\$m	\$m	Change
Revenue	667.5	635.5	+5%
Operating profit	69.9	63.8	+10%
Profit before tax	73.0	66.0	+11%
Cash and bank deposits	121.5	74.5	+63%
Basic EPS (cents)	194.3	176.2	+10%
Interim dividend per share (cents)	80.0	65.0	+23%
Interim dividend per share (pence)	62.7	50.8	+23%

Operational Overview

- Demand remained steady in challenging market conditions:
 - 1,085,000 total orders received in H1 2024 (H1 2023: 1,047,000)
 - 145,000 new customers acquired in H1 2024 (H1 2023: 158,000)
 - Favourable existing customer retention profile
 - Average order value +2% over H1 2023
- Operating profit margin increased to 10.5% (H1 2023: 10.0%), reflecting further progress in gross profit management and a more flexible marketing mix
- \$20.0m Oshkosh distribution centre expansion on budget and on time for late Q3 completion
- Interim dividend of 80.0c per share declared (2023: 65.0c) reflects the Group's strong financial position

Paul Moody, Chairman said:

"Based on our first half financial results and recent internal forecasts, the Board expects that 2024 full year Group revenue will reflect a growth rate similar to the first half of the year. As a result of improving financial dynamics in the business, particularly higher gross profit percentage and the flexibility of the marketing mix, it is expected that profit before tax for the 2024 full year will remain within the current range of analysts' forecasts.

The Board is confident in the Group's ability to manage through the current market conditions, blending resilient near-term financial results with attractive prospects for significant further organic growth over the medium term."

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Chairman's Statement

Performance summary

In the first half of 2024 the Group delivered a resilient trading performance. Although revenue growth was more difficult to achieve than in recent years, we have continued to outperform the overall promotional products industry, thereby taking further market share.

Group revenue in the first half of 2024 was \$667.5m, an increase of 5% over the same period in 2023. Despite this more modest revenue growth, the Group produced an excellent financial performance on all other measures. Gross profit percentage showed further encouraging progress, with the reshaped marketing mix demonstrating the efficiency and flexibility that we expected against a softer economic backdrop. As a result of these factors, operating profit margin improved to 10.5% (H1 2023: 10.0%).

Profit before tax for the period was up 11% at \$73.0m (H1 2023: \$66.0m), driving basic earnings per share of 194.3c (H1 2023: 176.2c). Cash conversion remained favourable, resulting in cash and bank deposits at the half year of \$121.5m (H1 2023: \$74.5m).

Strategy

In summary, our strategy remains the same - to deliver attractive organic revenue growth by increasing our share of the fragmented yet substantial markets that we serve.

We take a long-term view of the business and its future development. This includes making necessary investments in the people, marketing resources and infrastructure required for success, regardless of the immediate market conditions. Experience has taught us that if we remain diligent in looking after the business in more difficult times, a market share opportunity tends to follow.

Dividend

The Group is in a very strong financial position, with substantial cash and bank deposits at the half year of \$121.5m (H1 2023: \$74.5m). Consequently, and in line with its balance sheet funding and capital allocation guidelines, the Board has declared an interim dividend of 80.0c per share (2023: 65.0c), an increase of 23%.

Outlook

Based on our first half financial results and recent internal forecasts, the Board expects that 2024 full year Group revenue will reflect a growth rate similar to the first half of the year. As a result of improving financial dynamics in the business, particularly higher gross profit percentage and the flexibility of the marketing mix, it is expected that profit before tax for the 2024 full year will remain within the current range of analysts' forecasts.

The Board is confident in the Group's ability to manage through the current market conditions, blending resilient near-term financial results with attractive prospects for significant further organic growth over the medium term.

Paul Moody

Chairman

6 August 2024

Operating and Financial Review

Operating Review

	Half year 2024 \$m	Half year 2023 \$m
Revenue		
North America	654.7	623.8
UK & Ireland	12.8	11.7
Total	667.5	635.5
	Half year 2024 \$m	Half year 2023 \$m
Operating profit		
Direct Marketing operations	72.3	66.3
Head Office costs	(2.4)	(2.5)
Total	69.9	63.8

Performance overview

In our 2023 full year results announcement, issued on 13 March 2024, we noted a slow-down in growth in the promotional products industry in the second half of 2023, reflecting a more cautious macroeconomic environment. This challenging market backdrop continued into the first half of 2024.

A combination of factors has caused softness in demand across our industry. These factors include: concern over a possible recession; interest rates remaining at higher levels for longer than anticipated; residual inflation running higher than GDP growth; and continuing domestic and geo-political instability. Since promotional products mostly represent discretionary spend, our customers, both potential and existing, have kept a tight hold on their budgets.

ASI, a North American industry body, recorded market revenue growth estimates of only 0.1% in the fourth quarter of 2023, followed by a decline of 0.9% and gain of 1.3% in the first and second quarters of 2024 respectively. Looked at another way, the US promotional products market has been essentially flat and has likely trailed the broader US economy as measured by US GDP growth. The result of this for 4imprint has been a challenging first half of 2024 for demand generation, contrasting clearly with the post-pandemic rebound years of 2022 and 2023. The smaller Canadian and UK markets experienced similar trading conditions over the same period.

In total, 1,085,000 orders were received in the first half of 2024. This was an increase of 4% over the same period in 2023, reflecting strong existing customer retention but a more difficult environment for new customer acquisition.

Orders from new customers totaled 250,000, 8% below the 272,000 received in the first half of 2023. 145,000 new customers were acquired over the period compared to 158,000 in 2023, indicative of the softening in the promotional products industry as a whole. We expect new customer demand to improve against the softer prior year comparative as we move through the second half of the year.

On the other hand, 835,000 orders were received from existing customers in the period, an increase of 8% over 775,000 in the first half of 2023. We are pleased with the strength and resilience of our customer retention, which is a positive indicator for future performance, demonstrating the quality of the customers acquired in recent periods.

Average order values remained strong and were 2% higher than the same period in the prior year.

Group revenue for the 2024 half year was \$667.5m (H1 2023: \$635.5m), an increase of 5%. Operating profit for the period was \$69.9m, an increase of 10% compared to \$63.8m in the first half of 2023. Importantly, we maintained a double-digit operating profit margin percentage for the Group at 10.5% (H1 2023: 10.0%). There were two primary drivers contributing to this strength in operating profit margin:

- Gross profit percentage for the first half of 2024 was 32.1%, a significant improvement compared to 30.4% in the same period of 2023, benefitting from carefully targeted price adjustments implemented throughout 2023 and the first half of 2024, along with minimal supplier costs increases.
- The resilience and flexibility of the marketing engine, where we have doubled down on our investment, particularly in the brand component of the mix, generating revenue per marketing dollar in the first half of \$7.64 (H1 2023: \$8.22). This investment will stand us in good stead as economic conditions improve.

Our business model remains very cash-generative, with consistent negative working capital requirements. Underlying operating cash flow conversion was 106% (H1 2023: 152%). Free cash flow of \$59.1m was generated in the period (H1 2023: \$80.7m), delivering a cash and bank deposits total of \$121.5m (H1 2023: \$74.5m) at the half year.

Operational highlights

Good progress has been made in the period in several operational areas.

- **People.** We made a significant investment in people throughout 2023, most significantly in customer service and production resources. As a result, our platform has been strengthened and consolidated to handle further growth. In 2024 further hiring has continued, mainly concentrating on specialist areas such as supply chain, compliance, HR, IT, merchandising and marketing. We continue to be able to attract the level of talent that the business requires, in large part due to our reputation in the community as a good employer.
- **Marketing.** The first half of 2024 saw continued work in the development of our marketing engine, particularly as regards the brand element, mainly TV. We understand clearly the need to keep up our presence (and therefore spend) on marketing to our customers. This investment mentality is aimed at the longer-term development of the 4imprint brand as well as more short-term activation techniques. All marketing activities are subject to our tried and tested "test, read, adjust" approach to finding the optimal mix.
- **Supply.** The supply chain position has been stable in the first half of 2024. In conjunction with our supplier partners, we have addressed both the severe supply chain disruption and the ensuing inflationary pressures experienced in the post-pandemic recovery period.
- **Screen-printing.** Our screen-print facility in Appleton has now been operational for more than a year. We have been successful in recruiting the team members required for the new operation, including the more recent addition of a second shift, supporting our overall apparel decoration capability.
- **Oshkosh facilities.** We announced with our 2023 full year results that we intended to make a further expansion at our distribution centre site in Oshkosh, Wisconsin. This facility expansion is aimed primarily at supporting the continued growth of the apparel category of our product range. The construction of this \$20m project is well under way, with the new footprint anticipated to be ready for occupancy in September 2024.

Outlook

In summary, although actual demand has been below our original expectations for the 2024 half year, it is important to note that 4imprint has continued to take market share in the period, with 6% demand level revenue growth compared to industry statistics showing broadly flat overall revenues over the period.

In addition, an improved gross profit percentage and a more flexible marketing portfolio have helped drive strong profitability and cash generation even as we continue to make important investments in people and infrastructure that will help to propel the future growth of the business.

Financial Review

	Half year 2024 \$m	Half year 2023 \$m
Operating profit	69.9	63.8
Net finance income	3.1	2.2
Profit before tax	73.0	66.0
Taxation	(18.3)	(16.5)
Profit for the period	54.7	49.5

The Group's revenue, gross profit and operating profit in the period, summarising expense by function, were as follows:

	Half year 2024 \$m	Half year 2023 \$m
Revenue	667.5	635.5
Gross profit	214.0	193.3
Marketing costs	(87.4)	(77.3)
Selling costs	(24.7)	(22.7)
Administration and central costs	(31.0)	(28.5)
Share option charges and related social security costs	(0.9)	(0.5)
Defined benefit pension plan administration costs	(0.1)	(0.5)
Operating profit	69.9	63.8

Operating result

The first six months of 2024 have seen a solid financial performance, despite market conditions remaining challenging. Demand level revenue (value of orders received) increased by 6% over the strong 2023 comparative period, benefitting from increases in both total order numbers (4%) and average order value (2%). Reported revenue for the period was 5% above the first half of 2023.

The gross profit percentage of 32.1% (H1 2023: 30.4%) has benefitted from carefully targeted price adjustments implemented throughout 2023, along with smaller adjustments made in the period and minimal supplier cost increases.

The reshaped marketing mix continues to demonstrate the efficiency and flexibility that we expected. With the softer market conditions presenting an opportunity to increase our market share, additional investment has been made into brand and search engine marketing activity whilst still maintaining spend at a very efficient 13% of revenue (H1 2023: 12%). Revenue per marketing dollar was \$7.64 (H1 2023: \$8.22).

Selling, administration, and central costs together have increased 9% over H1 2023. This increase is mainly attributable to the annualisation of the significant investment in people made throughout 2023.

The factors outlined above have combined to deliver a significant uplift in operating profit to \$69.9m (H1 2023: \$63.8m) and operating profit margin to 10.5% (H1 2023: 10.0%), demonstrating the strength of our direct marketing model even in challenging market conditions.

Foreign exchange

The primary US dollar exchange rates relevant to the Group's results were as follows:

	Half year 2024		Half year 2023		Full year 2023	
	Period end	Average	Period end	Average	Period end	Average
Sterling	1.26	1.26	1.27	1.23	1.27	1.24
Canadian dollars	0.73	0.74	0.76	0.74	0.76	0.74

The Group reports in US dollars, its primary trading currency. It also transacts business in Canadian dollars, Sterling and Euros. Sterling/US dollar is the exchange rate most likely to impact the Group's financial performance.

The primary foreign exchange considerations relevant to the Group's operations are as follows:

- Translational risk in the income statement remains low with the majority of the Group's revenue arising in US dollars, the Group's reporting currency.
- Most of the constituent elements of the Group balance sheet are US dollar-based.
- The Group generates cash mostly in US dollars, but its primary applications of post-tax cash are Shareholder dividends, some Head Office costs and, up until the end of July 2023, pension deficit reduction contributions, all of which are paid in Sterling.

As such, the Group's cash position is sensitive to Sterling/US dollar exchange movements. To the extent that Sterling strengthens against the US dollar, less funds are available in payment currency to fund these cash outflows.

Share option charges

A total of \$0.9m (H1 2023: \$0.5m) was charged in the period in respect of IFRS 2 'Share-based Payments'. This was made up of two elements: (i) executive awards under the Deferred Bonus Plan (DBP) and 2015 Incentive Plan; and (ii) charges in respect of employee savings-related share schemes.

Current options and awards outstanding are 74,764 shares under the US Employee Stock Purchase Plan, 10,956 shares under the UK Save As You Earn scheme, and 47,666 share awards under the DBP.

Net finance income

Net finance income in the period was \$3.1m (H1 2023: \$2.2m). This comprises interest earned on cash deposits, lease interest charges under IFRS 16 and in H1 2023, the net income on the defined benefit pension plan assets and liabilities. The increase in the net finance income reflects the higher average cash and bank deposits balance.

Taxation

The tax charge for the half year was \$18.3m (H1 2023: \$16.5m) giving an effective tax rate of 25% (H1 2023: 25%). The primary component of the charge relates to current tax of \$17.8m (H1 2023: \$17.6m) on US taxable profits.

Earnings per share

Basic earnings per share increased 10% to 194.3c (H1 2023: 176.2c), reflecting the 11% increase in profit after tax and a weighted average number of shares in issue marginally higher than the prior year.

Dividends

Dividends are determined in US dollars and paid in Sterling, converted at the exchange rate on the date that the dividend is declared.

The Board has declared an interim dividend of 80.0c per share (2023: 65.0c), an increase of 23%. In Sterling, the interim dividend per share will be 62.7p (2023: 50.8p). The dividend will be paid on 16 September 2024 to Shareholders on the register at the close of business on 16 August 2024.

Defined benefit pension plan

The Group sponsors a legacy UK defined benefit pension plan (the "Plan") which has been closed to new members and future accruals for several years. The Plan has 128 pensioners and 191 deferred members.

The Trustee of the Plan entered into an agreement with Legal and General Assurance Society Limited to insure substantially all remaining pension benefits of the Plan through the purchase of a bulk annuity policy at the end of June 2023. The transaction took the form of a buy-in arrangement, with the insurer funding the Plan for the future payment of liabilities. The fair value of the bulk annuity policy matches the liabilities being insured, thus eliminating inflation, interest rate and longevity risks. As a result of this transaction, the Group ceased to make monthly deficit funding contributions to the Plan from August 2023 but will still fund the ongoing administration costs and settlement of residual liabilities.

The Trustee and the Group remain committed to the full de-risking of the legacy defined benefit pension obligations. It is anticipated that we will be able to move from a buy-in to a buy-out arrangement in 2025.

At 29 June 2024 and 30 December 2023, the Plan was in a breakeven position on an IAS 19 basis. Gross Plan assets and liabilities under IAS 19 were both \$22.2m.

The movements in the net IAS 19 position is analysed as follows:

	\$m
IAS 19 surplus at 30 December 2023	-
Return on Plan assets (excluding interest income)	(1.1)
Remeasurement gains due to changes in assumptions	1.1
IAS 19 surplus at 29 June 2024	-

Following the entering of the buy-in arrangement discussed above and, as expected, the net IAS 19 position has not changed over the period.

A triennial actuarial valuation of the Plan was completed as at 30 September 2022 and this forms the basis of the IAS 19 valuation set out above.

Cash flow

The Group had cash and bank deposits of \$121.5m at 29 June 2024 (1 July 2023: \$74.5m; 30 December 2023: \$104.5m).

Cash flow in the period is summarised as follows:

	Half year 2024 \$m	Half year 2023 \$m
Operating profit	69.9	63.8
Share option charges	0.9	0.5
Defined benefit pension administration costs paid by the Plan	-	0.5
Depreciation and amortisation	2.3	2.3
Lease depreciation	0.8	0.8
Change in working capital	13.3	32.8
Capital expenditure	(13.4)	(3.5)
Underlying operating cash flow	73.8	97.2
Tax and interest	(12.9)	(14.4)
Defined benefit pension plan contributions	-	(2.1)
Own share transactions	(0.6)	(0.4)
Capital element of lease payments	(0.7)	(0.7)
Exchange and other	(0.5)	1.1
Free cash flow	59.1	80.7
Dividends to Shareholders	(42.1)	(93.0)
Net cash inflow/(outflow) in the period	17.0	(12.3)

The Group generated underlying operating cash flow of \$73.8m (H1 2023: \$97.2m), a conversion rate of 106% of operating profit (H1 2023: 152%). The high conversion rate reflects the efficiency of the Group's drop-ship business model. The cash conversion rate of 152% in H1 2023 benefitted from the unwinding of the elevated net working capital position from the 2022 year-end driven by disruption to the supply chain. Capital expenditure includes expenditure on our planned \$20m project to expand capacity and the solar array at the Oshkosh distribution centre, and investments in our embroidery and screen-printing operations.

Free cash flow decreased by \$21.6m to \$59.1m (H1 2023: \$80.7m) due principally to the unwinding of the abnormal net working capital position from the 2022 year-end in the first half of 2023. The decrease was partially offset by the cessation of deficit funding contributions to the Plan from August 2023 (outflow of \$2.1m in H1 2023). The 2023 final dividend of \$42.1m was paid to Shareholders in June 2024.

Balance sheet and Shareholders' funds

Net assets at 29 June 2024 were \$147.8m, compared to \$134.5m at 30 December 2023. The balance sheet is summarised as follows:

	29 June 2024 \$m	30 December 2023 \$m
Non-current assets	62.3	51.4
Working capital	(21.2)	(7.9)
Cash and bank deposits	121.5	104.5
Lease liabilities	(12.0)	(12.3)
Other assets and liabilities - net	(2.8)	(1.2)
Net assets	147.8	134.5

Shareholders' funds increased by \$13.3m since the 2023 year-end. The main constituent elements of the change were retained profit in the period of \$54.7m, net of equity dividends paid to Shareholders of \$(42.1)m.

The Group had a net negative working capital balance of \$21.2m at 29 June 2024 (30 December 2023: \$7.9m). This net negative position reflects the strength of our business model, with minimal inventory requirements, a high proportion of customers paying for orders by credit card and the payment of suppliers to agreed terms.

Financing and liquidity

Full details of the Board's balance sheet funding guidelines and capital allocation priorities are set out on page 41 of the Annual Report & Accounts 2023. The Board retains the same guidelines in both areas.

The primary aim of these guidelines and priorities is to provide operational and financial flexibility through economic cycles, to be able to invest in opportunities as they arise, and to meet commitments to both Shareholders through dividend payments and to the Pension Plan Trustee through the full de-risking of our legacy defined benefit pension obligations.

The Group has a \$20.0m working capital facility with its principal US bank, JPMorgan Chase, N.A. The facility has minimum net income and debt to EBITDA covenants. The interest rate is the Secured Overnight Financing Rate (SOFR) plus 1.6%, and the facility expires on 31 May 2026. In addition, an overdraft facility of £1.0m, with an interest rate of the Bank of England base rate plus 2.0% (or 2.0% if higher), is available from the Group's principal UK bank, Lloyds Bank plc, until 31 December 2024.

The Group had cash and bank deposits of \$121.5m at the period end and has no current requirement or plans to raise additional equity or core debt funding.

Principal risks and uncertainties

The Board has ultimate responsibility for oversight and management of risk and control across the Group. The Audit Committee assists the Board in fulfilling its responsibilities to maintain effective governance and oversight of the Group's risk management and internal controls.

Risks are identified through a variety of sources, including internally from within the Group including the Board, operational and functional management teams and the Group Environmental and Business Risk Management Committees, and externally, to ensure that emerging risks are considered. Risk identification focuses on those risks which, if they occurred, have the potential to have a material impact on the Group and the achievement of its strategic, operational and compliance objectives. Risks are categorised into the following groups: strategic risks; operational risks; reputational risks; and environmental risks.

Management is responsible for evaluating each significant risk and implementing specific risk mitigation activities and controls with the aim of reducing the resulting residual risk to an acceptable level, as determined in conjunction with the Group's risk appetite. The Business Risk Management Committee meets at least three times a year and reviews the consolidated Group risk register and the mitigating actions and controls and provides updates to the Audit Committee. This process is supplemented with risk and control assessments completed by the operating locations and Group function annually and the activities of the internal audit function.

The current principal risks and uncertainties that would impact the successful delivery of the Group's strategic goals are set out on pages 45 to 53 of the Annual Report & Accounts 2023, a copy of which is available on the Group's investor relations website at <https://investors.4imprint.com>. These are:

- Macroeconomic conditions.
- Markets and competition.
- Effectiveness of key marketing techniques and brand development.
- Business facility disruption.
- Domestic supply and delivery.
- Failure or interruption of information technology systems and infrastructure.
- Cyber threats.
- Supply chain compliance and ethics.
- Legal, regulatory and compliance.
- Climate change.
- Products and market trends.

These risks have not changed since the 2023 year-end.

Going concern

The condensed consolidated financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered the Group's business activities, principal risks and uncertainties, performance, and financial position.

The Group has modelled its cash flow outlook for the period to 27 December 2025, considering the ongoing uncertainties in the macroeconomic and geopolitical environment. This forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities described in this Financial Review.

As described in the Financial Review section of the Annual Report & Accounts 2023, the Group has also modelled a downside scenario reflecting severe but plausible downside demand assumptions over a three-year horizon which showed no liquidity concerns or requirement to utilise the Group's undrawn facilities in the going concern period.

Based on their assessment, the Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for the period to 27 December 2025.

Kevin Lyons-Tarr

Chief Executive Officer

David Seekings

Chief Financial Officer

6 August 2024

Condensed Consolidated Income Statement For the 26 weeks ended 29 June 2024

Half year Half year Full year

	Note	Half year 2024 Unaudited \$m	Half year 2023 Unaudited \$m	Full year 2023 Audited \$m
Revenue	6	667.5	635.5	1,326.5
Operating expenses		(597.6)	(571.7)	(1,190.3)
Operating profit	6	69.9	63.8	136.2
Finance income		3.3	2.3	4.7
Finance costs		(0.2)	(0.2)	(0.4)
Pension finance income		-	0.1	0.2
Net finance income		3.1	2.2	4.5
Profit before tax		73.0	66.0	140.7
Taxation	7	(18.3)	(16.5)	(34.5)
Profit for the period		54.7	49.5	106.2

		Cents	Cents	Cents
Earnings per share				
Basic	8	194.3	176.2	377.9
Diluted	8	193.9	175.7	377.0

Condensed Consolidated Statement of Comprehensive Income

For the 26 weeks ended 29 June 2024

	Half year 2024 Unaudited \$m	Half year 2023 Unaudited \$m	Full year 2023 Audited \$m
Profit for the period	54.7	49.5	106.2
Other comprehensive income			
<i>Items that may be reclassified subsequently to the income statement:</i>			
Currency translation differences	(0.5)	1.4	1.4
<i>Items that will not be reclassified subsequently to the income statement:</i>			
Return on pension plan assets (excluding interest income and impact of buy-in policy)	(1.1)	(1.6)	(1.1)
Re-measurement loss on pension buy-in policy	-	(4.6)	(4.6)
Re-measurement gains/(losses) on post-employment obligations	1.1	(0.7)	(1.8)
Tax relating to components of other comprehensive income	0.8	1.2	2.3
Other comprehensive income for the period, net of tax	0.3	(4.3)	(3.8)
Total comprehensive income for the period, net of tax	55.0	45.2	102.4

Condensed Consolidated Balance Sheet

At 29 June 2024

	Note	29 June 2024 Unaudited \$m	1 July 2023 Unaudited \$m	30 Dec 2023 Audited \$m
Non-current assets				
Intangible assets		1.4	1.8	1.5
Property, plant and equipment		46.0	30.8	34.7
Right-of-use assets		11.0	12.3	11.4
Deferred tax assets		3.9	3.0	3.8
Retirement benefit asset		-	0.1	-
		62.3	48.0	51.4
Current assets				
Inventories		20.4	18.3	13.6
Trade and other receivables		74.7	81.4	68.4
Corporation tax debtor		-	-	0.4
Other financial assets - bank deposits		-	-	14.0
Cash and cash equivalents		121.5	74.5	90.5
		216.6	174.2	186.9
Current liabilities				
Lease liabilities	10	(1.6)	(1.4)	(1.4)
Trade and other payables		(116.3)	(115.8)	(89.9)
Current tax liabilities		(4.6)	(0.5)	(0.5)

Current tax creditor		(1.0)	(0.3)	-
		(119.5)	(117.7)	(91.3)
Net current assets		97.1	56.5	95.6
Non-current liabilities				
Lease liabilities	10	(10.4)	(11.6)	(10.9)
Deferred tax liabilities		(1.2)	(0.4)	(1.6)
		(11.6)	(12.0)	(12.5)
Net assets		147.8	92.5	134.5
Shareholders' equity				
Share capital		18.9	18.8	18.9
Share premium reserve		70.8	68.5	70.8
Other reserves		5.3	5.8	5.8
Retained earnings		52.8	(0.6)	39.0
Total Shareholders' equity		147.8	92.5	134.5

Condensed Consolidated Statement of Changes in Shareholders' Equity (unaudited)
For the 26 weeks ended 29 June 2024

				Retained earnings		
	Share capital	Share premium reserve	Other reserves	Own shares	Profit and loss	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2023	18.8	68.5	4.4	(0.9)	49.4	140.2
Profit for the period					49.5	49.5
Other comprehensive income			1.4		(5.7)	(4.3)
Total comprehensive income			1.4		43.8	45.2
Proceeds from options exercised					0.1	0.1
Own shares utilised				0.6	(0.6)	-
Own shares purchased				(0.5)		(0.5)
Share-based payment charge					0.5	0.5
Dividends					(93.0)	(93.0)
Balance at 1 July 2023	18.8	68.5	5.8	(0.8)	0.2	92.5
Profit for the period					56.7	56.7
Other comprehensive income			-		0.5	0.5
Total comprehensive income			-		57.2	57.2
Shares issued	0.1	2.3				2.4
Own shares utilised				0.1	(0.1)	-
Own shares purchased				(0.6)		(0.6)
Share-based payment charge					0.6	0.6
Deferred tax relating to components of equity					0.2	0.2
Dividends					(17.8)	(17.8)
Balance at 30 December 2023	18.9	70.8	5.8	(1.3)	40.3	134.5
Profit for the period					54.7	54.7
Other comprehensive income			(0.5)		0.8	0.3
Total comprehensive income			(0.5)		55.5	55.0
Own shares utilised				1.1	(1.1)	-
Own shares purchased				(0.6)		(0.6)
Share-based payment charge					0.9	0.9
Deferred tax relating to components of equity					0.1	0.1
Dividends					(42.1)	(42.1)
Balance at 29 June 2024	18.9	70.8	5.3	(0.8)	53.6	147.8

Condensed Consolidated Cash Flow Statement
For the 26 weeks ended 29 June 2024

		Half year 2024 Unaudited \$m	Half year 2023 Unaudited \$m	Full year 2023 Audited \$m
Cash flows from operating activities	Note			

Cash generated from operations	12	87.1	98.4	166.9
Tax paid		(15.8)	(16.5)	(33.8)
Finance income received		3.1	2.3	4.3
Lease interest		(0.2)	(0.2)	(0.4)
Net cash generated from operating activities		74.2	84.0	137.0
Cash flows from investing activities				
Purchase of property, plant and equipment		(13.5)	(3.6)	(10.0)
Proceeds from sale of property, plant and equipment		0.1	0.1	0.3
Decrease in current asset investments - bank deposits		14.0	36.1	21.0
Net cash from investing activities		0.6	32.6	11.3
Cash flows from financing activities				
Capital element of lease payments		(0.7)	(0.7)	(1.4)
Proceeds from issue of ordinary shares		-	-	2.4
Proceeds from share options exercised		-	0.1	0.1
Purchases of own shares		(0.6)	(0.5)	(1.1)
Dividends paid to Shareholders	9	(42.1)	(93.0)	(110.8)
Net cash used in financing activities		(43.4)	(94.1)	(110.8)
Net movement in cash and cash equivalents		31.4	22.5	37.5
Cash and cash equivalents at beginning of the period		90.5	51.8	51.8
Exchange (losses)/gains on cash and cash equivalents		(0.4)	0.2	1.2
Cash and cash equivalents at end of the period		121.5	74.5	90.5

Notes to the Interim Financial Statements

1 General information

4imprint Group plc is a public limited company incorporated in England and Wales, domiciled in the UK and listed on the London Stock Exchange. Its registered office is 25 Southampton Buildings, London, WC2A 1AL. The Group is engaged in the direct marketing of promotional products.

The Group presents these interim condensed consolidated financial statements in US dollars and, consistent with the statutory accounts for the period ended 30 December 2023, rounded to \$0.1m. Numbers in the financial statements were previously rounded to \$'000, however, given the growth of the Group, it is now considered appropriate to round numbers to \$0.1m.

These interim condensed consolidated financial statements, which were authorised for issue in accordance with a resolution of the Directors on 6 August 2024, do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the period ended 30 December 2023 were approved by the Board of Directors on 12 March 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The financial information contained in this report has neither been audited nor reviewed by the auditors, pursuant to Auditing Practices Board guidance on Review of Interim Financial Information.

2 Basis of preparation

These interim condensed consolidated financial statements for the 26 weeks ended 29 June 2024 have been prepared, in US dollars, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom, and should be read in conjunction with the Group's financial statements for the period ended 30 December 2023, which were prepared in accordance with UK-adopted International Accounting Standards.

As outlined in the Going concern section of the Financial Review, the Directors consider it appropriate to continue to adopt the going concern basis in preparing these interim condensed consolidated financial statements.

The tax charge for the interim period is accrued based on the best estimate of the tax charge for the full financial year.

3 Accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 30 December 2023, as described in those annual financial statements. New accounting standards applicable for the first time in this reporting period have no impact on the Group's results or balance sheet.

4 Estimates and judgments

The critical accounting judgments and key assumptions and sources of estimation uncertainty were the same as those applied to the Group's annual consolidated financial statements for the period ended 30 December 2023, except for the 'purchase of a bulk annuity policy' critical accounting judgment that related to the purchase of a bulk purchase annuity policy in 2023 and which therefore has no impact on the half year 2024.

5 Financial risk management

The Group's activities expose it to a variety of financial risks: currency risk; credit risk; liquidity risk; and capital risk. These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual consolidated financial statements for the period ended 30 December 2023. There have been no changes in any financial risk management policies since that date.

6 Segmental reporting

Segmental reporting

The Group has two operating segments, North America and UK & Ireland. The costs of the Head Office are reported separately to the Board, but this is not an operating segment.

	Half year 2024 \$m	Half year 2023 \$m	Full year 2023 \$m
Revenue			
North America	654.7	623.8	1,302.6
UK & Ireland	12.8	11.7	23.9
Total Group revenue	667.5	635.5	1,326.5

	Half year 2024 \$m	Half year 2023 \$m	Full year 2023 \$m
Profit			
North America	72.6	66.3	141.0
UK & Ireland	(0.3)	-	0.2
Operating profit from Direct Marketing operations	72.3	66.3	141.2
Head Office costs	(2.4)	(2.5)	(5.0)
Operating profit	69.9	63.8	136.2
Net finance income	3.1	2.2	4.5
Profit before tax	73.0	66.0	140.7

Other segmental information

	Assets			Liabilities		
	29 June 2024 \$m	1 July 2023 \$m	30 Dec 2023 \$m	29 June 2024 \$m	1 July 2023 \$m	30 Dec 2023 \$m
North America	148.0	139.7	125.6	(126.0)	(120.5)	(99.8)
UK & Ireland	4.2	4.4	3.6	(4.1)	(4.4)	(2.9)
Head Office	126.7	78.1	109.1	(1.0)	(4.8)	(1.1)
	278.9	222.2	238.3	(131.1)	(129.7)	(103.8)

Head Office assets principally include other financial assets - bank deposits, cash and cash equivalents and deferred tax assets. Head Office liabilities include other payables and accruals.

7 Taxation

Taxation for the period has been calculated using the estimated tax rate that would be applicable to the full year. The major components of the income tax expense in the interim condensed consolidated income statement are:

	Half year 2024 \$m	Half year 2023 \$m	Full year 2023 \$m
UK tax - current	-	1.8	2.0
Overseas tax - current	17.8	15.8	32.1
Total current tax	17.8	17.6	34.1
Origination and reversal of temporary differences	0.5	(1.1)	0.4
Total deferred tax	0.5	(1.1)	0.4
Taxation	18.3	16.5	34.5

On 20 June 2023 the UK Finance Bill was substantively enacted in the UK, including legislation to implement the OECD Pillar Two income taxes for periods beginning on or after 31 December 2023. The legislation includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each country in which the Group operates. Similar legislation is being enacted by other governments around the world. The Group has applied the mandatory temporary exception in the Amendments to IAS 12 issued in May 2023 and endorsed in July 2023 and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes and there is no current tax impact on the financial statements for the half year 2024. Based on an assessment of historic data and forecasts for the period ending 28 December 2024, the Group does not expect a material exposure to Pillar Two income taxes for the full year 2024.

8 Earnings per share

The basic and diluted earnings per share are calculated based on the following data:

	Half year 2024 \$m	Half year 2023 \$m	Full year 2023 \$m
Profit after tax	54.7	49.5	106.2

	Half year 2024 Number '000	Half year 2023 Number '000	Full year 2023 Number '000
Weighted average number of shares	28,155	28,068	28,105
Dilutive effect of share-based payments	60	82	66
Diluted weighted average number of shares	28,215	28,150	28,171

Basic earnings per share	194.3c	176.2c	377.9c
Diluted earnings per share	193.9c	175.7c	377.0c

The weighted average number of shares excludes shares held by the 4imprint Group plc employee benefit trust (EBT). The effect of excluding shares held by the EBT is to reduce the average number by 17,774 (H1 2023: 17,444; FY 2023: 18,008).

9 Dividends

		Half year 2024	Half year 2023	Full year 2023
		\$m	\$m	\$m
Equity dividends - ordinary shares				
Interim paid:	nil (H1 2023: nil; FY 2023: 65.0c)	-	-	17.8
Final paid:	150.0c (H1 2023: 120.0c; FY 2023: 120.0c)	42.1	34.9	34.9
Special paid:	nil (H1 2023: 200.0c; FY 2023: 200.0c)	-	58.1	58.1
		42.1	93.0	110.8

The Directors have declared an interim dividend for 2024 of 80.0c per ordinary share (interim 2023: 65.0c), an estimated payment amount of \$22.5m, which will be paid on 16 September 2024 to Shareholders on the register at the close of business on 16 August 2024.

10 Leases

The Group leases premises in Oshkosh and Appleton, Wisconsin, and in London, England. Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Half year 2024	Half year 2023	Full year 2023
	\$m	\$m	\$m
At start of period	12.3	13.7	13.7
Additions	0.4	-	-
Interest charge	0.2	0.2	0.4
Payments	(0.9)	(0.9)	(1.8)
At end of period	12.0	13.0	12.3
Current	1.6	1.4	1.4
Non-current	10.4	11.6	10.9

11 Capital commitments

The Group had capital commitments contracted but not provided for in the financial statements at 29 June 2024 for property, plant and equipment of \$4.7m (1 July 2023: \$1.6m; 30 December 2023: \$16.3m).

12 Cash generated from operations

	Half year 2024	Half year 2023	Full year 2023
	\$m	\$m	\$m
Profit before tax	73.0	66.0	140.7
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	2.2	2.1	4.3
Amortisation of intangible assets	0.1	0.2	0.4
Depreciation of right-of-use assets	0.8	0.8	1.7
Profit on disposal of property, plant and equipment	(0.1)	(0.2)	-
Share option charges	0.9	0.5	1.1
Net finance income	(3.1)	(2.2)	(4.5)
Defined benefit pension administration costs paid by the Plan	-	0.5	0.5
Contributions to defined benefit pension Plan	-	(2.1)	(6.5)
<i>Changes in working capital:</i>			
(Increase)/decrease in inventories	(6.8)	(0.2)	4.5
(Increase)/decrease in trade and other receivables	(6.5)	3.8	20.0
Increase in trade and other payables	26.6	29.2	4.7
Cash generated from operations	87.1	98.4	166.9

13 Related party transactions

Transactions and balances between the Company and its subsidiaries have been eliminated on consolidation. The Group did not participate in any related party transactions with parties outside of the Group.

Alternative Performance Measures

An Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified within IFRS.

The Group uses APMs to supplement standard IFRS measures to provide users with information on underlying trends and additional financial measures, which the Group considers will aid users' understanding of the business.

Definitions of the Group's APMs can be found on pages 146 and 147 of the Annual Report & Accounts 2023.

Reconciliations of the *free cash flow*, *capital expenditure*, *underlying operating cash flow*, and *cash and bank deposits* APMs to their closest IFRS measures are provided below:

	Half year 2024 \$m	Half year 2023 \$m
Net movement in cash and cash equivalents	31.4	22.5
Add back: Decrease in current asset investments - bank deposits	(14.0)	(36.1)
Add back: Dividends paid to Shareholders	42.1	93.0
Less: Exchange (losses)/gains on cash and cash equivalents and bank deposits	(0.4)	1.3
Free cash flow	59.1	80.7

	Half year 2024 \$m	Half year 2023 \$m
Purchase of property, plant and equipment	(13.5)	(3.6)
Proceeds from sale of property, plant and equipment	0.1	0.1
Capital expenditure	(13.4)	(3.5)

	Half year 2024 \$m	Half year 2023 \$m
Cash generated from operations	87.1	98.4
Add: Contributions to defined benefit pension Plan	-	2.1
Add: Profit on disposal of property, plant and equipment	0.1	0.2
Less: Purchases of property, plant and equipment and intangible assets	(13.5)	(3.6)
Add: Proceeds from sale of property, plant and equipment	0.1	0.1
Underlying operating cash flow	73.8	97.2

	29 June 2024 \$m	1 July 2023 \$m	30 Dec 2023 \$m
Other financial assets - bank deposits	-	-	14.0
Cash and cash equivalents	121.5	74.5	90.5
Cash and bank deposits	121.5	74.5	104.5

Statement of Directors' Responsibilities

The Directors confirm that, to the best of their knowledge, these interim condensed consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7 and 4.2.8, namely:

- An indication of the important events that have occurred during the first half of the year and their impact on the interim condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first half of the year and any material changes in the related party transactions described in the last annual report.

The Directors of 4imprint Group plc are as listed in the Group's Annual Report & Accounts 2023.

By order of the Board

Kevin Lyons-Tarr
Chief Executive Officer

David Seekings
Chief Financial Officer

6 August 2024

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